

Message Text

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47 53

ORIGIN ARA-20

INFO OCT-01 ISO-00 EUR-25 EA-11 SSO-00 NSCE-00 USIE-00

INRE-00 SAB-01 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03 H-03

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-04 INR-10 NSAE-00

CG-00 COA-02 DLOS-07 SWF-02 PA-04 PRS-01 /169 R

66650

DRAFTED BY:ARA/PAN:HLSTEIN:ZC

APPROVED BY:ARA:AMB BOWDLER

ARA/PAN:PFMORRIS

ARA:MR SZABO (DRAFT)

ARA/ECP:MR DAVILA (DRAFT)

ALL ARA COUNTRY DIRECTORS (SUBS)

ARA/PAN:SMBELL

EUR - MR LOWENSTEIN

EA/J - MR HUBBARD (PHONE)

----- 070462

O P 101246Z JUL 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

INFO AMEMBASSY TOKYO PRIORITY

AMEMBASSY OTTAWA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY ATHENS

USCINCSO

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C O R R E C T E D C O P Y (GARBLED PORTION PARA THREE)

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E.O. 11652:N/A

TAGS: PFOR, PN

SUBJECT: PANAMA CANAL TOLL INCREASE

REF: (A) STATE 49678; (B) STATE 58007

1. IN ACCORDANCE WITH SCCN RESOLUTION (REF A) AND USING INFORMATION SUPPLIED BY COUNTRIES RESPONDING TO INQUIRY SUGGESTED IN REF B, DEPARTMENT CONDUCTED CAREFUL REVIEW OF THE IMPACT THAT TOLL RATE INCREASE WOULD HAVE ON WESTERN HEMISPHERE COUNTRIES. WE CONCLUDED THAT INCREASE WOULD HAVE MINIMAL ECONOMIC IMPACT ON AFFECTED COUNTRIES AND THEIR EXPORTS. PAN CANAL BOARD OF DIRECTORS CONSIDERED THIS CONCLUSION IN APRIL 27 MEETING BEFORE SENDING FINAL RECOMMENDATION FOR TOLL INCREASE TO THE PRESIDENT. THE DEPARTMENT ALSO WEIGHED THE RESULTS OF ITS REVIEW BEFORE INFORMING OMB THAT WE DID NOT OBJECT TO INCREASE.

2. PRESIDENT ON JULY 8 APPROVED THE AMENDED CANAL ZONE REGULATION INCREASING PANAMA CANAL TOLL RATES. ON JULY 9 DEPARTMENT SENT FOLLOWING LETTER TO DR. SEDWITZ INFORMING HIM OF USG ACTION.

3. BEGIN QUOTE DR. WALTER J. SEDWITZ, EXECUTIVE SECRETARY, INTER AMERICAN ECONOMIC AND SOCIAL COUNCIL

DEAR MR. SEDWITZ:

I AM WRITING YOU IN REFERENCE TO THE PROPOSED TOLL INCREASE FOR USE OF THE PANAMA CANAL. AS YOU MAY RECALL, I STATED IN MY LETTER OF JUNE 13 THAT A CAREFUL REVIEW HAD SHOWN THE INCREASE WOULD HAVE A MINIMAL ECONOMIC IMPACT ON THE AFFECTED LATIN AMERICAN COUNTRIES AND THEIR EXPORTS, YET IT WOULD ALLOW THE CANAL TO OPERATE EFFICIENTLY AND WITHOUT LOSSES.

IN VIEW OF THE INTEREST WHICH MEMBER COUNTRIES OF THE OAS HAVE EXPRESSED IN THIS MATTER, I WISH TO INFORM YOU THAT PRESIDENT NIXON AFTER GIVING CAREFUL CONSIDERATION TO ALL ASPECTS OF THIS MATTER, APPROVED THE TOLL INCREASE ON JULY 8, 1974. THE NEW RATES WILL BE AS FOLLOWS:

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A) ON MERCHANT VESSELS, YACHTS, ARMY AND NAVY TRANSPORTS, COLLIERIES, HOSPITAL SHIPS, AND SUPPLY SHIPS, WHEN CARRYING PASSENGERS OR CARGO, \$1.08 PER NET-VESSEL TON OF 100 CUBIC FEET EACH OF ACTUAL EARNING CAPACITY.

B) ON VESSELS IN BALLAST WITHOUT PASSENGERS OR CARGO, \$.86 PER NET-VESSEL TON.

C) ON OTHER FLOATING CRAFT INCLUDING WARSHIPS, OTHER THAN
TRANSPORTS, COLLIERS, HOSPITAL SHIPS AND SUPPLY SHIPS,
\$.60 PER TON OF DISPLACEMENT.

THESE NEW RATES WILL BECOME EFFECTIVE ON JULY 11.

THE U.S. GOVERNMENT HAS ALREADY INFORMED THE GOVERNMENT OF
PANAMA OF THE PRESIDENT'S APPROVAL OF THE NEW TOLL RATES.
I WOULD APPRECIATE IT IF YOU WOULD INFORM THE MEMBER
COUNTRIES OF THIS ACTION AT YOUR EARLIEST CONVENIENCE.

SINCERELY,

DANIEL SZABO
DEPUTY ASSISTANT SECRETARY
FOR INTER AMERICAN AFFAIRS END QUOTE

4. PUBLIC ANNOUNCEMENT OF TOLL INCREASE IS SET FOR JULY 11
AND NEW RATES SHOULD GO INTO EFFECT JULY 11 . AT YOUR DIS-
CRETION YOU MAY ADVISE APPROPRIATE AUTHORITIES OF HOST GOV-
ERNMENT OF PRESIDENTIAL APPROVAL AND EFFECTIVE STARTING
TIME OF NEW RATES AND TRANSMIT TEXT OF LETTER TO DR.
SEDWITZ. USG HAS ALREADY INFORMED GOP OF TOLL INCREASE.

5. INFO ADDRESSEES MAY AT THEIR DISCRETION INFORM HOST
GOVERNMENT OF THE RATE INCREASE. KISSINGER

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30 JUN 2005

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